



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 2, 2005

Dick Turner
c/o Rancho Equipment
1557 West Ashby Road
Delta, Utah 84624-7357

Subject: Finalizing Permit and Bond Amount, Rancho Equipment, Red Emerald Mine, M/001/058, Beaver County, Utah

Dear Mr. Turner:

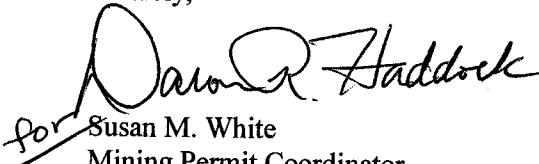
The Division has reviewed the calculated reclamation surety submitted on May 11, 2005, for the Red Emerald Mine. Based on a review of the plan and discussions with the Bureau of Land Management, the calculated surety of \$33,635 is insufficient. The final acceptable bond amount the Division and the BLM has determined is \$55,200 in year 2010 dollars (estimate attached). This will require you submit an additional \$20,900 to supplement the \$34,300 bond you already have in place for the mine.

The Division has also reviewed the revisions submitted March 21, 2005, in response to our second review of February 9, 2005, and found the plan to be complete. Final approval can be granted when the bond is submitted and approved. Please coordinate all bonding forms and reclamation contract change through Beth Ericksen at 801-538-5318.

The BLM has not reviewed your current plans since a copy was never submitted to them. You will need to get the BLM's concurrence before this plan can be considered approved.

Thank you for your help in finalizing this permitting process. If you have any questions regarding this letter, please call me at 538-5258 or Tom Munson at 801-538-5321.

Sincerely,


for Susan M. White
Mining Permit Coordinator
Minerals Regulatory Program

SW:TM:jb

Attachment: Surety estimate

cc: Ed Ginouves, BLM, Cedar City FO (UTU-79716)

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